



## **PRESIDENT OBAMA'S FY 2010 BUDGET**

(includes excerpts from FY 2010 budget documents)

### **U.S. Department of Housing and Urban Development**

The \$1.79 billion request for **Homeless Assistance Grants** is a 7% increase over the recently enacted FY '09 appropriation. The budget notes "the continued request for increased funding for the Homeless Assistance Program reflects the documented success in decreasing homelessness through these programs. Furthermore, this requested increase signals the Administration's intent to provide dedicated funding for new supportive housing."

Also noted is that "many communities have made great strides in creating comprehensive approaches to ending chronic homelessness through the development of State Interagency Councils and local plans."

(Although it is not part of the HUD budget, readers may wish to note that the President's budget for Federal Payments to the District of Columbia includes "\$19 million to support permanent supportive housing in the District. This program, modeled on the best practices of other public programs, places vulnerable individuals and families in permanent housing first, and then provides treatment for other challenges that may be at the root of the homelessness. This approach has had success in other cities and is a new Federal partnership with D.C. for 2010.")

HUD proposes to continue the focus on prevention initiated in the Recovery Act for the \$150 million that is being requested for the **Emergency Shelter Grants** program.

Restoring federal leadership in promoting affordable housing is one of HUD's key goals and toward that end a \$1 billion+ increase to \$17.8 billion is requested for the **Section 8 tenant based rental voucher program**, allowing for the renewal of existing vouchers including the 2008-2009 HUD-VASH and other special purpose vouchers, to assist an estimated 2,165,700 low income households, the most ever in the history of the program and 116,000 more than was supported in FY 2008. Funding for **Section 8 project based assistance contracts** would also be increased by \$1 billion to \$8.1 billion building on the effort begun in the Recovery Act to allow renewal of all expiring contracts for a full 12 months.

\$1 billion is requested to begin capitalizing the **National Affordable Housing Trust Fund**. The Trust Fund is the first major federal housing production program since the creation of the HOME Investments Partnership Program in 1990 and is primarily targeted to increasing and preserving rental housing for *low and very low income households*. According to data from the 2007 American Housing Survey, there are 74

affordable and available units for every 100 very low income households; and 44 units per 100 extremely low income households. In addition, between 1995 and 2007, the share of renters paying more than 50 percent of their income for rent increased from 18 percent to 22 percent.

The **HOME** program, for which level funding of \$1.825 billion is requested, has produced in partnership with state and local governments 873,000 units of which 38 percent are rental, with 58 percent of those units for households at less than 50 percent of median since 1992.

For the **Section 811 Housing for Persons with Disabilities Program**, level funding of \$250 million is requested, with \$114 million for new projects and the remainder for renewals.

A new \$250 million **Choice Neighborhoods Initiative** would build on the lessons of HOPE VI and revitalize high poverty neighborhoods through transformative investments in distressed public and assisted housing and closer linkages with school reform and early childhood interventions.

The proposed budget would fully fund the **Community Development Block Grant (CDBG) program** at \$4.45 billion. HUD intends that the higher funding level will make more palatable the call for updating of the 30 year old funding formula. Within the \$550 million increase for the CDBG, \$150 million would be used for a new **Sustainable Communities Initiative** to spur a new generation of metropolitan and rural efforts to integrate transportation, housing and land use planning and decisions in a way that maximize choices for residents and businesses, lowers transportation costs, saves energy and improves quality of life. This new program, as well as a proposed \$100 million **Energy Innovation Fund** would be part of a new Office of Sustainable Housing and Communities that would report to Deputy Secretary Ron Sims. This new office would also work closely with the philanthropic sector on a range of activities including but not limited to research and evaluation, demonstrations, technical assistance and capacity building.

The existing Rural Housing and Economic Development program would be supplanted by into a new \$25 million **Rural Innovation Fund** within the CDBG program. This funding would support a limited number of highly targeted and innovative approaches dedicated to addressing the problem of concentrated rural housing distress and community poverty. Similar to the Choice Neighborhoods Initiative, the Rural Innovation Fund will focus on areas of high distress that have a good chance of revitalization given their location.

The **housing counseling program** would be increased from \$65 million to \$100 million.

The budget also requests authority for a **New Transformation Initiative** through which up to 1% of HUD's budget could be used to develop new technologies, demonstrations, research and evaluation and a cross cutting technical assistance initiative that would replace existing siloed TA efforts. Homeless technical assistance and the Homeless Assistance Grants-Evaluation of Demonstration would be among the activities transferred into this new initiative.

## U.S. Department of Veterans Affairs

The nearly \$113 billion FY 2010 budget request represents a 15% increase over FY 2009 and is the largest one year percentage increase for the VA requested by a President in over 30 years. On September 30, 2008, there were an estimated 23.3 million Veterans living in the U.S. and Puerto Rico. Of these, the VA currently estimates there are 131,000 homeless Veterans on any given night. The President's proposed FY 2010 budget includes \$500 million for VA targeted homeless assistance programs. The VA is forming partnerships with other Federal agencies, community coalitions, and faith-based organizations to participate in a coordinated approach in delivering services to homeless Veterans and those at the greatest risk of homelessness. The Department also expects to spend more than \$2.7 billion providing health care treatment to homeless Veterans.

The President's budget includes a new **\$26 million pilot program** with non profits to help maintain stable housing for vulnerable Veterans and their families while the VA provides needed support services. As authorized in the Veterans' Mental Health and Other Care Improvement Act of 2008, Public Law 110-387, the VA also plans to begin implementation of supportive services for low-income Veterans living in permanent housing. VA will provide grants to community and faith-based agencies to assist low-income Veterans and their families by providing case management and other supportive services to help prevent the onset of homelessness. VA will develop program regulations and guidance in 2009 and award grants for the program in 2010.

Funding for the **Homeless Providers Grant and Per Diem program**, through which the VA assists community-based organizations to create and sustain transitional housing and service programs for homeless Veterans, would be increased to \$144 million. Both grants and per diem funding would be available and the VA would continue to fund community-based organizations that offer services for special needs populations including the chronic mentally ill, elderly, terminally ill, and homeless women Veterans, including women Veterans with children.

As the number of **women Veterans** increases, the VA has increased funding dedicated to meeting their special needs. Full-time Women Veterans Program Managers are now in place at all VA medical facilities. These program managers are advisors to, and advocates for, women Veterans to help ensure their care is provided with the appropriate level of privacy and sensitivity. Increasing access to medical care in rural areas is also a targeted area of funding. The VA budget includes \$440 million for **rural health initiatives** to increase access and improve care including mobile clinics, new outpatient clinics, expanding fee-basis care, operating Rural Health Resource Centers, accelerating telemedicine deployment, and exploring collaborations with other federal and community providers.

The VA plans to continue working closely with the US Department of Housing and Urban Development in the implementation of the **HUD-VASH** program. The primary goal of HUD-VASH is to move Veterans and their families out of homelessness and into permanent housing. This collaborative effort is supported through HUD Section 8 "Housing Choice" rental assistance vouchers and VA's provision of intensive case management services. The budget includes \$83 million to continue the **Health Care for Homeless Veterans** program through which outreach teams work closely with community agencies and homeless Veterans throughout the country, assisting nearly

66,000 Veterans in 2007. VA will also continue its **incarcerated Veteran prison re-entry initiative** designed to prevent homelessness, substance abuse, mental illness, and criminal recidivism begun in 2007. Healthcare for Re-Entry Veterans (HCRV) Specialists help re-entry Veterans make a successful transition from prison to the community by engaging correctional, VA and community resources to make available housing, employment, mental health and other social services.

The budget proposal for the VA also places a high priority on initiatives aimed at making servicemembers' transition to civilian life and VA benefits seamless, so important to overall efforts to reduce the incidences of new Veterans becoming homeless.

### **U.S. Department of Health and Human Services**

The requested increase in funding for **Projects for Assistance in Transition from Homelessness (PATH)** from \$60 million to \$68 million would allow services to an additional 11,000 homeless persons. View table of projected [state allocations](#).

The **Health Care for the Homeless** program, which is receiving increased resources from the \$2 billion included in the Recovery Act for Community Health Centers, would be funded at the recently enacted FY 09 level of \$180 million. In FY 2007, nearly 931,000 persons experiencing homelessness were served by Community Health Centers including the specialized Health Care for the Homeless program.

The **Consolidated Runaway and Homeless Youth** program would be funded at \$53.5 million for Basic Centers and \$43.8 million for the Transitional Living Program. These funds would continue to support 375 Basic Center Programs and 218 Transitional Living Programs. View table of [projected state allocations](#).

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION:  
CENTER FOR MENTAL HEALTH SERVICES

### **Programs of Regional and National Significance –Homelessness Prevention - \$32.25 million (also \$2.3 m to continue homelessness science)**

The \$32.25 million would support grant and contract continuations in the Services in Supportive Housing Program by providing grants to States and communities that reduce or eliminate chronic homelessness among individuals with serious mental illness, substance abuse and/or co-occurring disorders and their families. Services are provided in coordination with existing permanent supportive housing programs in the community and cover a five year funding period. Services in Supportive Housing are comprehensive, seamless and focus on outreach and engagement, intensive case management, mental health and substance abuse treatment, as well as assistance in obtaining benefits. As of April 2009, the Services in Supportive Housing grantees have provided over 840 persons with comprehensive and coordinated mental health and related services. 69% of the individuals served demonstrated improvement in behavioral functioning and represent an 80-100 percent reduction in the usage of high cost services such as hospitalizations and emergency room use.

### **Programs of Regional and National Significance – Criminal and Juvenile Justice**

Since 2002, the *Jail Diversion program* has awarded grants to 40 States and communities to build capacity for diversion and provision of community based treatment and supportive services such as health care, housing, and job placement. This program awards multi-year grants to develop, implement and sustain diversion programs for people with mental illnesses. In 2008, the program focused on individuals with trauma related mental disorders and prioritizing veterans. The program also limited eligibility to states to pilot local diversion programs and replicate them statewide. Grantees have conducted over 79,000 screenings and diverted over 3,300 persons with mental illness from jail to community services. Program data indicates that diverted individuals have reduced symptoms of mental illness, reduced substance abuse, and improved daily living skills and role functioning. An emphasis on cross system collaboration has resulted in the delivery of comprehensive services and broad community support for sustainability. Nineteen of the 24 earliest grantees continue their programs after SAMHSA funding ends.

#### CENTER FOR SUBSTANCE ABUSE TREATMENT

**Programs of Regional and National Significance-** \$458.1 million including:

\$42.75 million (same as FY 09) for the ***Grants for the Benefit of Homeless Individuals*** (GBHI) program whose purpose is to enable communities to expand and strengthen their treatment services for homeless (including chronically homeless) individuals with substance abuse disorders, mental illness, or with co-occurring substance abuse disorders and mental illness. Through this grant program, grantees link treatment services with housing programs and other services (e.g., primary care).

In FY 2008, consistent with congressional intent, CSAT began allocating part of its GBHI funds for grants that address services in supportive housing. Like CSAT's GBHI grants for the homeless population generally (GBHI General), the services in supportive housing (SSH) grants seek to expand and strengthen treatment services for persons who are homeless by providing linkages to appropriate treatment for substance use or mental disorders and other support services. CSAT defines services in supportive housing for the purposes of our SSH grants as services for clients already in housing that is permanent, affordable, and linked to health, mental health, employment, and other support services. This approach combines long-term, community-based housing assistance and intensive individualized treatment and recovery support services to chronically homeless individuals with substance use disorders, mental disorders, or co-occurring substance use and mental disorders. It is a cost-effective combination of affordable housing with supportive services that helps people live more stable, productive lives and leads to reductions in substance use and psychiatric symptoms. In FY 2009, CSAT allocated \$4.5 million to fund as many as 13 new GBHI General grants, and \$3.1 million to fund as many as nine new SSH grants (approximately \$350,000 each year for up to five years, in both the GBHI General and SSH programs).

Since the inception of the GBHI program, CSAT homeless grants have served 33,171 individuals. The currently active portfolio has served over 22,000 individuals. Outcomes data available for a subset of clients served by the program through the 91 active GBHI grantees show that individuals demonstrate:

- 122 percent increase in employment or engaging in productive activities;
- 166 percent increase in persons with a permanent place to live in the community;
- 52 percent increase in no past months substance use;

- 36 percent improvement in no/reduced alcohol or illegal drug related health, behavioral or social consequences.

\$99.0 million for **Access to Recovery** to support 26 new grants to States and Tribal Organizations. This is the same level of funding as was included in the recently enacted FY 09 appropriation. This would provide funding for a third cohort of grantees and an opportunity to fine tune the program based on lessons learned from the first two cohorts of grantees. The program will prioritize funding to treat individuals with methamphetamine addictions. Average grant awards will be reduced to approximately \$3.7 million and the project period will be increased to four years.

\$87.6 million for Criminal Justice activities for grants/cooperative agreements to provide treatment, housing, vocational, and employment services. The proposed \$50 million increase would provide an additional \$35 million for Treatment Drug Courts for a total of \$58.9 million of which \$5.0 million is focused on protecting the youngest victims of families affected by methamphetamine abuse; and \$15 million for ex-offender re-entry programs for a total of \$23 million.

- **Treatment Drug Courts** are being created at a high rate, creating a challenge to support sufficient substance abuse treatment options for people referred by the court. Recognizing the need to enhance or expand treatment services for people who were involved in the criminal justice system, Treatment Drug Court funding began in 2002 to adult, juvenile, and family drug courts and treatment providers. In FY 2010, Treatment Drug Courts anticipates funding 61 new adult drug court grants for three years at an average cost of \$350,000 and 40 new juvenile and family drug court grants for four years at an average cost of \$200,000. These funds will provide services supporting substance abuse treatment, assessment, case management, and program coordination to those in need of treatment drug court services. Priority for the use of funding will be given to addressing gaps in the continuum of treatment. CSAT will also utilize \$5.0 million to fund 25 grants for Family Dependency/Treatment Drug Courts. These grants will provide a Child Case Coordinator to link available community- based social services resources that will focus on the trauma to these youngest victims caused by substance abuse issues/methamphetamine use in the family and concurrent criminal justice involvement

Both adult and juvenile drug court clients had positive outcomes in the most recent year that data was available. About 70 percent of both juvenile and adult clients reported no past month substance use six months after intake and about 90 percent of clients experienced no/reduced alcohol or illegal drug related health, behavioral or social consequences six months after intake. As a result of the 2008 program assessment, the program is improving the linkage between DOJ and SAMHSA including collaboration on a joint performance measure.

- In FY 2010, an **Ex-Offender Re-entry program** will build on previous and ongoing SAMHSA adult and juvenile criminal justice initiatives. Research shows that for the drug-involved offender most positive gains made as the result of prison-based treatment rapidly dissipate if the individual is not linked to effective community based services upon return to the community. In FY 2002, with the

number of reentering offenders totaling over 625,000 persons, federal agencies began to respond to the accompanying public safety and public health issues by funding new programs such as the Serious and Violent Offender Re-entry Initiative and the Prisoner Re-entry Initiative. CSAT participated as a federal partner in both of these initiatives. In FY 2004, CSAT's Young Offender Re-entry Program (YORP) was initiated with the awarding of 12 grants to expand and enhance treatment capacity for juveniles and young offenders returning to their communities from correctional or detention facilities. This offender re-entry initiative was designed to facilitate reintegration into the community by providing pre-release screening, assessment and transition planning in institutional corrections settings and linking clients to community-based treatment and recovery services upon release. In FY 2005, a second cohort of 13 grants was funded as part of an \$11 million effort to respond to the escalating number of alcohol and drug involved offenders returning to the community. IN FY10, an increase of \$15 million will help support the award of an estimated 29 new re-entry grants, provide grantee technical assistance, and allow initiation of a cross-site evaluation of the program.

#### **Substance Abuse Prevention and Treatment Block Grant - \$1.779 billion.**

The FY 2010 budget request for the Substance Abuse Prevention and Treatment Block Grant is \$1,778.6 million, the same level as the recently enacted FY 09 appropriations bill. 95 percent are distributed to States and territories by formula.

#### **ADMINISTRATION FOR CHILDREN AND FAMILIES**

##### **Low Income Home Energy Assistance Program (LIHEAP): \$3.2 billion**

The Low Income Home Energy Assistance Program (LIHEAP) provides assistance to low-income households in meeting the costs of heating and cooling their homes. FY 06 data showed that approximately 30 percent of LIHEAP heating recipients were elderly households and 22 percent were households including young children.

The appropriation includes regular funding and a contingency fund. The contingency fund was designed to provide additional funds, subject to the annual appropriations process, in states that are adversely affected by extreme heat or cold, or other causes of energy-related emergencies. The FY 10 budget includes a legislative proposal to create a new mandatory trigger mechanism to automatically provide additional funding when energy prices spike. Language is also proposed to allow contingency funding to remain available for expenditure beyond the immediate fiscal year.

##### **Foster Care Initiative**

Child Welfare Research, Training and Demonstration (+\$20 million) – The budget proposes a new *\$20 million Innovative Approaches to Foster Care* program that includes incentives for grantees demonstrating improved outcomes for long-term foster-care placements along with continuing support grants to maintain training resources and opportunities in the field of child welfare. Up to 10 additional grants will be funded under the new initiative.

##### **Strengthening Community Fund - \$50 million (replaces the Compassion Capital Fund)**

First funded in the Recovery Act, the Strengthening Communities Fund awards grants to organizations to provide outreach, technical assistance, and training to improve the capacities of non profit organizations to serve low-income and disadvantaged populations. Funds could also be made available for grants to State, Local and Tribal governments (and to non-profits designated by such governments) to improve the capacities of such governments to provide outreach, training, and technical assistance to non-profit organizations to serve low-income and disadvantaged populations. An estimated 82 grants would be awarded. Up to \$2 million would be available for a national evaluation.

### **Community Services Block Grant (CSBG) - \$700 million**

*(This funding request is the same as the recently enacted FY 09 appropriation. This program also benefited from \$1 billion in the Recovery Act)*

The Community Services Block Grant (CSBG) program provides grants to states, territories and Indian tribes to provide services and activities to reduce poverty, including services to address employment, education, housing assistance, nutrition, energy, emergency services, health, and substance abuse. CSBG requires states to pass through 90 percent of the Federal funds allocated to eligible entities, which in most cases are Community Action Agencies. In FY 2009, the Office of Community Services (OCS) will issue a competitive program announcement for a three-year cooperative agreement grant for a national community economic development training and capacity development initiative. The Recovery Act provided that States may increase the income eligibility ceiling under CSBG from 125 percent to 200 percent of poverty for all appropriated funds during fiscal years 2009 and 2010.

### **Disaster Case Management - \$2 million**

This new program would fund a contract with voluntary agencies to provide comprehensive federal disaster case management and technical assistance for human services from the time of the disaster throughout the recovery process. This contract will ensure that a disaster case management system is in place and that trained personnel are credentialed and available should a disaster occur. ACF will manage this contract and Stafford Act funds will be used for actual services, where needed. The Stafford Act was amended by the Post Katrina Emergency Reform Act of 2006, which authorized case management by stating that "the President may provide case management services, including financial assistance, to state or local government agencies or qualified private organizations to provide such services to victims of major disasters to identify and address unmet needs." This approach will ensure that disaster victims are connected with existing services in a timely manner following a disaster.

### **U.S. Department of Labor**

Funding for the **Homeless Veterans Reintegration Program** for employment is proposed at \$35 million, an increase of \$9 million. The Homeless Veterans' Reintegration Program (HVRP) was the first nationwide Federal program focused on placing homeless veterans into jobs, authorized initially in 1987 as part of the Stewart B. McKinney Homeless Assistance Act. Through competitive grant awards, HVRP provided employment and training services to an estimated 14,000 homeless veterans in FY 2008



at an average cost of \$1,560. This proposed \$9 million increase in funding is a 34% increase and would allow the program to serve an additional 7,200 homeless veterans.

For DOL's **Re-integration of Ex-Offenders** program, \$115 million is requested for FY 2010, an increase of \$6.5 million. This program provides funds for services to adult ex-offenders, juvenile offenders, and youth to reduce recidivism by helping them find work when they return to their communities. Authorized through section 212 of the Second Chance Act of 2007 and Section 171 of the Workforce Investment Act (WIA) of 1998, this program consolidates funding for Prisoner Reentry Initiative (PRI) grants and Youthful Offender grants. The PRI grants, which began in 2004, seek to strengthen urban communities characterized by large numbers of returning prisoners through an employment-centered program that incorporates mentoring, job training, and other comprehensive transitional services. Youthful Offender grants support a set of multi-site demonstrations designed for juvenile and young adult offenders, and youth highly at-risk of involvement in crime and violence. With this level of funding, DOL would be able to serve an estimated 26,000 individuals at a cost-per-participant of \$4,388. DOL is conducting a thorough review of current grants for ex-offender programs, and detailed plans for the FY 2010 funding will be developed in cooperation with the Department of Justice.

The \$114.5 million requested for DOL's **YouthBuild** program in FY 2010 would be a 64% increase over regular FY 2009 funding. YouthBuild also benefited from \$50 million in the Recovery Act. YouthBuild provides job training and educational opportunities for at-risk, and out-of-school youth ages 16 through 24 while constructing or rehabilitating affordable housing for low-income or homeless families in poor communities. The proposed FY 2010 level would allow for an estimated 7100 participants including second year continuation funding to FY 2009 grantees and the program will promote training in green construction with an emphasis on industry-recognized credentials, and encourage connections with other Federal agencies involved in creating green jobs, such as HUD and the U.S. Department of Energy.

### **U.S. Department of Justice**

The most recent national-level recidivism study shows that two-thirds of ex-offenders released in 1994 came back into contact with the criminal justice system within three years of their release. To address America's post-incarceration crisis, the FY 2010 budget request makes a significant down payment on the **Second Chance Act** by funding \$114 million in Prisoner Reentry programming, including an additional \$75 million in grant program and research funding, and \$14 million for federal inmate skills development. DOJ efforts are coordinated with the U.S. Department of Labor.

- The \$75 million in grant program and research funding would include \$10 million for research, and Adult and Juvenile Offender Demonstration Projects, Mentoring Grants to Nonprofit Organizations, and a National Adult and Juvenile Offender Resource Center.
- \$13.8 million for the Federal Prison System would support 121 positions for implementation of the Inmate Skills Development Program to assist in successful reentry and reintegration into society. The program works to assess a prisoner's skill levels at the beginning of imprisonment term and generates a skills

development plan for each prisoner to monitor skills enhancement and reentry readiness throughout incarceration.

Within the Office of Justice Programs, the **Residential Substance Abuse Treatment Program** would be funded at \$20 million to provide grants to state, local, and tribal governments to help them develop residential substance abuse treatment programs in correctional facilities and community-based aftercare services for probationers and parolees.

### **U.S. Department of Education**

The **Education for Homeless Children and Youth** program would be funded at \$65 million. This program has also benefited from a special allocation of \$70 million included in the Recovery Act. Education Secretary Duncan announced the state allocations of the Recovery Act monies on April 10.

### **FEMA**

The FY 2010 budget request for the **Emergency Food and Shelter Program** in FEMA/ Department of Homeland Security is \$100 million. This program also benefited from \$100 million included in the Recovery Act.